

Alexander Koehler
P.O. Box 1914
Fallon, Nevada 89407
April 15, 2018

Judge Christopher M. Alston
United States Bankruptcy Court
Western District of Seattle, Washington
700 Stewart Street, Room 6301
Seattle, Washington 98101

FILED
Western District of Washington
at Seattle.
APR 20 2018
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MARK L. HATCHER, CLERK
OF THE BANKRUPTCY COURT

Re: Case No. 16-11767-CMA NOTICE OF HEARING ON TRUSTEE'S MOTION FOR ORDER CONVERTING CASE FROM A CHAPTER 11 TO A CHAPTER 7 CASE

Dear Judge Christopher M. Alston:

I, Alexander Koehler, acknowledge the receipt of the NOTICE OF HEARING ON TRUSTEE'S MOTION FOR ORDER CONVERTING CASE FROM A CHAPTER 11 TO A CHAPTER 7 CASE and to confirm my claim number 2547 is still valid.

I believe converting the case from a Chapter 11 to a Chapter 7 bankruptcy is necessary. Only by liquidating all of Northwest Territorial Mint, LLC's assets, will the creditors be paid back the liabilities owed.

I must voice my concerns and queries about several events I found when examining the invoice of Cascade Capital Group, which is provided as Docket 1200, for case 16-11767-CMA filed on September 15, 2017, DECLARATION OF MARK CALVERT IN SUPPORT OF APPLICATION FOR COMPENSATION OF CASCADE CAPITAL GROUP LLC AS ACCOUNTANTS FOR THE TRUSTEE.

The first thing that troubled me while inspecting the invoice was that I discovered a number of issues pertaining to Ross Hansen directly in regards to the bankruptcy filing. They are listed below in chronological order:

"threatening to come into the office"

"threatening to come into the office"

Page 3 of 47 (8 of 58) April 27, 2016,

"more issues with Ross".

Page 5 of 47 (10 of 58) May 18, 2016

"Deal with Ross Hansen showing up at NWT offices unexpectedly",

Page 5 of 47 (10 of 58) May 19, 2016

"Issue with Ross going to the company saying he has authorization to get documents in the company"

Page 6 of 47 (11 of 58) May 26, 2016

"Various issues with Ross making calls to employees"

Page 24 of 47 (29 of 58) September 19, 2016

"Ross making calls to employees again"

Page 24 of 47 (29 of 58) September 20, 2016

"Various issues with Ross calls"

These issues concern me because, on Cascade's same invoice, Ross Hansen was offered a cash settlement for this behavior. They are as follows, listed chronologically:

Page 17 of 47 (22 of 58) August 11, 2016

"Discussed mediation / settlement offer to Ross / cash to be paid to eliminate issue".

Page 18 of 47 (23 of 58) August 12, 2016

"Discussed mediation / settlement offer to Ross / cash to be paid to eliminate issue".

This was extremely disturbing as there are thousands of dollars billed on the invoice just dealing with problems caused by Ross Hansen interfering with the bankruptcy proceedings. Rather than issuing a restraining order to keep his behavior in check, under penalty of law, there was a settlement offered to him. I do not understand why Ross Hansen was offered a cash settlement to "eliminate issues" when thousands of his creditors, who dealt with him in good faith, have had their assets stolen and now face various financial hardships due to his abhorrent disregard for the property of others.

This decision to offer a cash settlement to Ross Hansen is further brought into question by a legal expense incurred by Mark Calvert documented four months previous. It shows that a pawn shop owner called about inventory sold for Ross and this information was passed to the FBI. It is documented as follows:

Page 3 of 47 (8 of 58) April 26, 2016

"Call from Pawn Shop owner related to inventory sold for Ross and passed information to FBI".

Between all of the missing inventory from client's storage accounts and the large amount of money taken from customers with no reciprocation of goods or services, Mr. Hansen's actions are highly suspect. Especially since the owner of the Pawn Shop where Mr. Hansen took goods

to sell, felt it was prudent to notify the authorities and the information was then passed to the FBI for further investigation.

As you are well aware, the definition of theft according to the Washington Legislature Title 9A , Chapter 9A.56, Section 9A.56.020 is:

- (a) To wrongfully obtain or exert unauthorized control over the property or services of another or the value thereof, with intent to deprive him or her of such property or services; or
- (b) By color or aid of deception to obtain control over the property or services of another or the value thereof, with intent to deprive him or her of such property or services; or
- (c) To appropriate lost or misdelivered property or services of another, or the value thereof, with intent to deprive him or her of such property or services.

If the inventory that was delivered to the Pawn Shop was not Ross Hansen's to sell, but instead belonged to one or more of his creditors, this would constitute theft under section (a). Conversely, if at any time, he took undocumented or improperly documented 'Owner's Draws' of any funds or customer owned assets from NWTM, he would essentially be appropriating property that would later be declared 'lost' after performing what should have been a regularly scheduled audit, thus constituting theft under section (c).

While I understand that your scope in this case is limited to the bankruptcy filing, it is clear that Ross Hansen has known about the financial state of his company deteriorating for many years. However, he continued to appropriate money from NWTM customers. Once it was no longer feasible for Ross Hansen to continue his appropriation of others assets with impunity, he then filed for Bankruptcy to protect his own ill gotten assets.

This is documented in the following lines of EXHIBIT A of Docket 1200:

Page 30 of 47 (35 of 58) December 19, 2016	"Meeting with K&L gates about bankruptcy fraud requirements and more schedules"
Page 30 of 47 (35 of 58) December 19, 2016	"Prep American Express schedules for fraudulent transfer and bankrupt fraud for K&L"

There are numerous other references in the document outlining an ongoing fraud investigation which total more than 600 billable hours as itemized on page 56 of 58 of Docket 1200.

My second concern comes from seeing, on the same invoice, that some of the inventory has already been sold or returned. They are listed below chronologically:

Page 10 of 47 (15 of 58) June 20, 2016

"Customer owned inventory to return review and finalization of schedule."

Page 15 of 47 (20 of 58) July 26, 2016

"Storage analysis/schedules for return of product to customers".

Page 20 of 47 (25 of 58) August 24, 2016

"Sale of inventory from the vault for committee members"

As a creditor I would like to know if those whom have had some of their assets returned now have an amended or withdrawn claim, and what effect has this has had on Northwest Territorial Mint's Liabilities? I am also hereby requesting a certified hard copy of this "Storage analysis/schedules for return of product to customers".

My last query for this section is who are the committee members mentioned in the sale of inventory on August 24, 2016? Did they own the inventory in the vault or did they have any claim to it? If the assets contained within the vault were precious metals, is there a record of the contents? If so, were they sold at the then current market rates? As a creditor, I would like to know why I was never notified of sales such as these.

My final concern comes from the same invoice, there were references to photographs of inventory taken, power points made, and bar serial numbers being recorded. They are listed as follows:

Page 1 of 47 (6 of 58) April 10, 2016

"Introductions, plant tour + photographs, employee rollcall, rekey main vault, draft/sign new vault security protocol, begin photographing NV main vault inventory"

Page 1 of 47 (6 of 58) April 11, 2016

"Second floor plant tour + photographs (two archives, RH office), continue photographing main vault inventory, meet with IT/security (EC), obtain security footage (USB); photograph DE Federal Way shipment, weigh, record, secure in Main Vault"

Page 3 of 47 (8 of 58) April 29, 2016

"Inventory picture to PowerPoint"

Page 7 of 47 (12 of 58) June 6, 2016

"NV main vault inventory: record bar serial numbers, photograph and record NWTM inventory and 3rd party related disputed inventory."

Are these pictures and PowerPoint presentation public record? If so, where can a copy of the pictures and the presentation be obtained? I am hereby requesting a certified copy of the pictures to compare the bar serial numbers in the photos of my claim, number 2547, with the recorded bar serial numbers Cascade made on June 6, 2016.

If you could respond promptly to my concerns and queries, I would greatly appreciate it.

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Concerns and Queries

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